GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department – Attachment of Movable & Immovable properties in respect of Sri Korada Ganeswara Rao, S/o (late) Venkata Bagayya and 3 other members of "Lakshmi Ganesh Chits", Narasannapeta in Cr.No.139/2021 under section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 – Ad-interim Orders – Issued.

HOME (GENERAL-A) DEPARTMENT

G.O.Ms.No. **71** Dated: 21-06-2022

Read the following:-

1) G.O. Ms.No.193, Home (Genl.B) Dept., dtd:23-8-2001.
2) From the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri C.No.1505/C-13/AP-CID/2022, dated: 31-03-2022.

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O R D E R:

Whereas, in the G.O. first read above, to safeguard the interests of the depositors, Government appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, Crime Investigation Department, Andhra Pradesh, as the case may be, as the "Competent Authority" under sub-section (1) of section4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) and to exercise control over the properties attached by the Government under sections-3 and 8 of the said Act;

2) And whereas, in the letter second read above, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh has reported that, the accused 1. Korada Ganeswara Rao @ Korada Ganesh, S/o (late) Venkata Bagayya, 2. Korada Venkata Laxmi, W/o Ganesh @ Ganeswara Rao, 3. Andavarapu Suryanarayana Murthy @ Andavarapu Suryanarayana, 4 Andavarapu Bharathi W/o Suryanarayana Murthy are organizing local chits since 13 years under the name and style as "Lakshmi Ganesh Chits" and used to collect the chit amounts from the public and noted the payment details of chits in account book. Similarly, they used to obtain deposits from some people promising that double amount will be paid after 2 or 3 years. However, all the accused defaulted on the payments to chit holders and deposits holders on completion of chit and deposits.

3) And whereas, based on the complaints of victims at Narasannapeta Police Station of Srikakulam District a case in Cr.No.139/2021 under section 420 read with section 34 of the IPC, 1860 and section 5 of A.P.Protection of Depositors of Financial Establishment Act, 1999 and 76(1) of Chit funds Act, 1982 of Narasannapeta P.S. was registered on 1-7-2021 at 19.00hrs. Later, the above case was transferred to CID., A.P. Mangalagiri for further investigation and it is under investigation.

4) And whereas, the Addl. Director General of Police, Crime Investigation Department, Andhra Pradesh has reported that, during the investigation of the case, it is revealed that the accused A-1 to A-4 established un-registered Chit in the name and style of "Laxmi Ganesh Chits" about 13 years ago without having valid license or registration from the Government under Chit Funds Act and A.P. Depositors of Financial & Establishments Act, 1999 and running their business illegally, thereby A-1 to A-4 violated provisions contemplated under Chit Fund Act,1982 and A.P.Protection of Depositors of Financial and Establishments Act,1999. According to the report of the District Registrar, Srikakulam, vide Lr.No.G6/875/2021, dt.18.12.2021, there is no registration against the Lakshmi Ganesh Chits or Lakshmi Ganesh Deposits of Narasannapeta town of Srikakulam District. A-1 to A-4 used to run various chit groups viz., 2.5 Lakhs, 5 Lakhh, 10 Lakhs, etc., and collected monthly chit subscriptions from the 48 (fourty eight)

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victims according to their chit value and attracting the victims with attractive dividends and returns in deceitful manner. A1 to A4 have also collected deposits from 26 (twenty six) victims attracting by offering huge rate of interest on their deposits and huge returns after maturity of their deposits in deceitful manner. Accordingly, A1 to A4 collected chit and deposits amounts from the victims, i.e., an amount of Rs.3,26,62,950/- (Rupees three crores twenty six lakhs sixty two thousands nine hundred and fifty only) pertaining to chits and Rs.2,59,90,000/- (Rupees two crores fifty nine lakhs and ninty thousands only) pertaining to deposits, aggregated to Rs. 5,86,52,950/- (Rupees five crores eighty six lakhs fifty two thousands nine hundred and fifty only). A1 noted down dates and receipt of amounts on a small chit account book and also noted down dates and receipt of amounts on a small white paper as deposited bound by A1 own handwriting, since their firm not registered under Chit Funds Act and A.P.Depositors Act and they did not use printed deposit bonds. All the four accused escaped from the village thereby committing defaults without paying the chit and deposits amounts to the gullible customers as like the complainant and others, there by cheated the chit holders and deposit holders. Thus the prima facie is made out against the accused A.1 to A.4.

5) And whereas, the Addl. Director General of Police, CID, A.P., has further reported that during the course of investigation, it is established that the following immovable properties acquired by the accused A1 to A4 in their names and in the name of A1 son :

(i) **A4 Andavarapu Bharathi** has purchased house site to an extent of 167 Sq. Yards at Plot No.29 at Borigivalasa, Narasannapeta of Srikakulam District from Tangudu Sridhar S/o Makayya vide Doc.No.2166/2011, 482/2006 LINK DOC, the details of said property shown at Sl.No.1 as Annexure-I.

(ii) **A2 & A4 Korada Venkata Lakshmi and Andavarapu Bharathi** were purchased house site to an extent of 135.33 Sq.Yards at Borigivalasa, Narasannapeta of Srikakulam District from Kondaka Laxmi W/o Daliraju vide.Doc.No.227/2015, LINK DOC No.174/2015 & 994/2014, the details of said property is shown at Sl.No.2 as Annexure-I.

(iii) **A2 Korada Venkata Lakshmi** has purchased House Site to an extent of 251.33 Sq.Yards, Plot No.16,17 at Borigivalasa, Narasannapeta of Srikakulam District from Arangi muralidha,r S/o Seetharamamurthy vide 1838/2015, LINK DOC No.2106/2013, the details of said property is shown at Sl.No.3 as Annexure-I.

(iv) **A.2 Korada Venkata Lakshmi** has purchased House Site to an extent of 94 SQ Yards, Plot No.14 at Maruthinagar-1, Narasannapeta of Srikakulam District from Vajrala Ramarao s/o Veerabhadracharyalu vide Doc.No.464/2019, LINK DOC. 721/1991, the details of said property is shown at Sl.No.4 as Annexure-I.

(v) **A.2 Korada Venkata Lakshmi** has purchased land to an extent of 17 cents at Satyavaram, Narasannapeta of Srikakulam District from Belusonti Narasimhamurthy and Laadi Srinivasarao vide Doc.No.2888/2019, LINK DOC. 1950/2011, the details of said property is shown at Sl.No.5 as Annexure-I.

(vi) **A.1 Korada Ganeswara Rao** has purchased house site to an extent of 113.33 SQ. Yards at Borigivalasa, Narasannapeta of Srikakulam District from Puvvada Shanmukharao vide Doc.No.1520/2017, the details of said property is shown at Sl.No.6 of Annexure-I.

(vii) **A.2 Korada Venkata Lakshmi** has purchased house site to an extent of 200 SQ. Yards, Plot No.21 at Ravivalasa village, Thallavalasa Panchyat, Laveru of Srikakulam District from Puvvada Shanmukharao vide Doc.No.3043/2019, LP.No.3/2018/1167 the details of said property is shown at Sl.No.7 as Annexure-I.

(viii) **A.1 Korada Ganeswara Rao** has purchased house site in the name of his son Korada Bharat Kumar to an extent of 122.22 Sq. Yards at Borigivalasa,

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Narasannapeta of Srikakulam District from Korada Kamalamma vide Doc.No.175/2017, the details of said property is shown at Sl.No.1 as Annexure-II.

(ix)An outstanding amount of Rs.3,08,423.58 is pending balance in account Nos. 038011011000652, 296410100029659, 11028571143, 038010100240447, 4472101001841, 4472101002030, 4472401000031, 4472404000028, 11656655564, 11656658134 of accused A.1 to A.4 respectively is shown at Sl.No.1 to 10 as Annexure-III.

(x)Seized cash Rs.1.6 Lakhs, dated 29-12-2021 from the possession of the A.1 Korada Ganeswara Rao while his arrest, the details of said property is shown at Sl.No.11 as Annexure-III.

The documents related to immovable proprieties are secured and found that the immovable and movable properties acquired by the accused with the money of gullible depositors and the properties are need to be attached in the interest of depositors. Details of the attaching immovable properties and movable properties are shown as Annexure-I, II & III respectively.

6) And whereas, the Additional Director General of Police, Crime Investigation Department and Competent Authority, Andhra Pradesh has therefore requested the Government to issue ad-interim orders in respect of the immovable properties and movable proprieties as mentioned in the Annexure-I, II & III duly authorizing him being the Competent Authority to file an application before the Court concerned to make the orders absolute;

7) The Government, after careful examination of the matter, hereby issue an ad interim orders in exercise of the powers conferred under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) for attachment of movable and immovable properties in respect of "Lakshmi Ganesh Chits" as mentioned in the Annexure-I, II & III appended to this order and also authorize the Additional Director General of Police, Crime Investigation Department, Mangalagiri, Andhra Pradesh and the competent authority appointed in the G.O. first read above, so as to file an application before the concerned Court to make the orders absolute.

8) The Additional Director General of Police, Crime Investigation Department, Mangalagiri, Andhra Pradesh and the Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the rules made there under, following the due procedure and send compliance report to the Government;

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRDESH)

HARISH KUMAR GUPTA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Additional Director General of Police, Crime Investigation Department, A.P., Mangalagiri/ Competent Authority. (w.e.)
Copy to:
The Director General of Police, Andhra Pradesh, Mangalagiri. (w.e.)
The Commissioner & Inspector General of Registration and Stamps, A.P., Vijayawada. (w.e.)
The P.S. to Minister, Home Department, Andhra Pradesh (w.e.)
The Law © Department, Velagapudi, A.P., Secretariat (w.e.)
The District Collector, Srikakulam District (w.e.)
The Sub-Registrar, Narasannapeta and Ranasthalam of Srikakulam district. (w.e.)
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER